

Tipton County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for Tipton County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Tipton County has one cross-county unit and is the minor county

Tipton has no conservancy districts.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$1.1 million or 5.69%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levy were due to the County unit (\$444,000) and Tipton Community Schools (\$294,490).

Tipton County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$2,047,919	\$2,150,977	\$103,058	5.03%

Tipton County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$-0-	\$339,628	\$339,628	-%

Total County levy increased by \$444,000 or 14.92%. Existing cash balances used in Welfare F&C for 2007 to supplement levy. Levy increased in 2008 to cover budgeted expenses and services.

Northern Community Schools Tipton County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$1,668,230	\$1,875,305	\$207,075	12.41%
School Pension Debt	288,892	188,642	-100,250	-34.70%
Capital Projects	627,629	742,029	114,400	18.23%

Total School levy increased \$249,156 or 6.29%.

Tipton Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$3,555,453	\$3,895,169	\$339,716	9.55%
Debt Service	1,180,467	1,012,438	-168,029	-14.23%
Bus Replacement	176,205	129,669	-46,536	-26.41%

Total School levy increase of \$294,490 or 3.94%.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	14.19%
Industrial	7.89%
Commercial	4.06%
Residential	0.52%
Exempt	58.58%
Utility	5.16%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	30.43%	32.53%
Industrial	4.76%	4.80%
Commercial	5.36%	5.22%
Residential	56.52%	53.19%
Exempt	2.74%	4.07%
Utility	0.19%	0.19%

As can be seen from the analysis, a shift from residential and commercial to agricultural, industrial, and exempt property occurred. This shift was approximately 3.47%.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
CICERO TOWNSHIP	6.42%	7.58%	1.09%	2.99%	4.38%	-9.58%
TIPTON CITY	0.80%	1.05%	0.25%	1.16%	2.90%	-11.77%
JEFFERSON TOWNSHIP	9.53%	10.75%	1.12%	3.08%	4.44%	-9.45%
KEMPTON TOWN	-1.90%	1.09%	3.05%	4.77%	6.67%	-11.24%
LIBERTY TOWNSHIP	7.07%	8.86%	1.67%	2.96%	3.97%	-8.75%
SHARPSVILLE TOWN	-9.15%	-4.12%	5.54%	7.04%	8.44%	-8.61%
MADISON TOWNSHIP	5.49%	6.76%	1.20%	3.13%	4.60%	-9.84%
ELWOOD CITY	4.61%	5.67%	1.01%	1.96%	5.12%	-8.38%
PRAIRIE TOWNSHIP	6.15%	8.00%	1.74%	3.08%	4.09%	-8.65%
WILDCAT TOWNSHIP	12.98%	13.71%	0.65%	1.65%	2.66%	-10.00%
WINDFALL TOWN	0.32%	1.52%	1.19%	2.00%	3.34%	-11.79%
Average	5.28%	5.69%	1.67%	2.99%	4.62%	-9.91%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate.

Upward pressure on tax rates came from increases in tax levies, especially those from increases in Welfare.

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	8.0%	43.0%	45.1%	2.7%	0.7%	0.4%
Industrial	15.4%	48.5%	31.4%	0.6%	2.4%	1.8%
Residential	21.7%	28.2%	34.4%	7.2%	8.1%	0.4%
Overall	14.3%	20.6%	26.8%	30.0%	7.9%	0.4%